

## **INS-4 INSTRUCTIONS**

**Line 1:** Enter assessments, as well as initial premiums. Enter the amount of all premiums and renewals as written or renewals collected during the previous calendar year from or upon risks located or resident in the State of Maine. Also include amounts for reinsurance payments collected from the policyholder.

**Line 2:** Enter considerations received for the purchase of immediate or deferred annuities. This figure should agree with Schedule T of your NAIC Annual Report.

**Line 2a:** Enter considerations that were annuitized during the taxable year that were received in a tax year ending prior to January 1, 1999 on which no premium tax has been paid. **See 36 M.R.S.A. § 2513.**

**Line 3b:** Dividends paid to policyholders or credited on renewals during the year are deductible. Dividends left to purchase paid up additions are **not** deductible.

**Line 4c:** This line is for information purposes only. *See* 36 M.R.S.A. § 2513.

**Line 5a:** Enter **only** net premiums on qualified group disabilities policies. *See* 36 M.R.S.A. § 2513

If reporting gross direct premiums collected or contracted for on long-term care policies, **as certified by the superintendent of the Bureau of Insurance pursuant to Title 24-A, section 5054**, enclose explanation.

**Line 5b:** *A large domestic insurer*, who is taxed at the rate of 2.55% on qualified group disabilities, will enter the applicable tax on this line.

**Lines 6 and 11:** Tax cannot be less than zero.

**Part B (lines 7-10).** The Maine Insurance Premiums Tax is the greater of the Maine tax calculated on line 6 or the insurance premiums tax paid to the state of incorporation (or province of Canada). The amounts entered on lines 7-10 are those applicable to premiums and renewals of the previous calendar year relative to risks located or resident in the State of Maine that are subject to tax in the state or province of incorporation. Enter on line 11 the greater of line 6 or line 10.

### **INTEREST & PENALTY**

The State Tax Assessor annually establishes the interest rate by rule. The interest rate for calendar year 2004 is 6% per year, compounded monthly; annual rate 6.1678%.

The penalty for failure to file a return is the greater of \$10 or 10% of the tax due. If the return is not filed within 30 days after the receipt of a demand notice to file, the penalty is 100% of the tax due.

The penalty for failure to pay a tax liability on time is 1% per month, up to a maximum of 25% of the outstanding liability.